

## **2005 LEGISLATIVE SUMMARY**



**California's Capitol shortly after completion, circa 1878**

## **COMMITTEE REPORT**

**November 2005**  
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**Arnold Schwarzenegger,**  
*Governor*



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## 2005 Legislative Summary

### Notice

Summaries of 2005 chaptered and vetoed energy-related bills can be found at  
<http://www.leginfo.ca.gov/bilinfo.html>.

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## **Preface**

The 2005 Legislative Summary is intended to provide easy access to information on 2005 energy-related bills. It provides information on bills that were chaptered, vetoed, or held in committee in 2005. The report is divided into three parts: Energy Commission-Related Bills, which are chaptered or vetoed bills that have a direct impact on the Energy Commission; General Energy-Related Bills, which are chaptered or vetoed bills that have an indirect impact on Energy Commission programs; and Potential 2-year Bills.



## **Acknowledgements**

The Office of Governmental Affairs would like to acknowledge the contributions of all those individuals who participated in the development of the 2005 bill analyses. We are especially grateful for the work of the Deputy Directors and the Legislative Coordinators in each division, who assisted our office by assuring the timely technical analyses by their divisions, coordinating the policy committee presentations and participating in the Energy Commission bill analysis process.

The 2005 Legislative Coordinators were:

- Efficiency & Demand Analysis: Tracy Boggs
- Fuels & Transportation Energy: Susan Brown, Debbie Jones
- Office of Chief Counsel: Arlene Ichien
- Strategic Issues Integration Group: Thom Kelly
- System Assessment and Facilities Siting: Rick Buell, Chris Tooker
- Technology Systems: Steve Williams

In addition, there are several individuals who are designated subject matter experts and without their knowledge and expertise in commenting on certain bills, we could not provide the accurate information necessary to provide quality bill analyses. We would like to acknowledge a few of these individuals who exceeded all expectations. Their contributions to the bill analyses are greatly appreciated.

The 2005 Subject Matter Experts include:

- Efficiency: Virginia Lew, Michael Messenger, Bill Pennington
- Legal (Renewables): Gabe Herrera
- Natural Gas: Dave Maul
- Public Interest Energy Research: Rita Champion, Lawrence Kinser
- Renewable Energy: Drake Johnson
- Research Development & Demonstration: Ron Kulkulka
- Strategic Issues Integration Group: Mike Jaske
- Transmission: Jim Bartridge, Roger Johnson, Bob Strand
- Transportation: Chuck Mizutani





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## SECTION I

### ENERGY COMMISSION-SPECIFIC BILLS

#### 2005 Chaptered Legislation

Bill Number	Subject
AB 200 (Leslie) Chapter 50, Statutes of 2005	Renewable Energy Resources: California Renewables Portfolio Standards Program
AB 380 (Nuñez) Chapter 367, Statutes of 2005	Electricity: Electrical Restructuring: Resource Adequacy
AB 728 (Negrete McLeod) Chapter 369, Statutes of 2005	Electricity: Biogas Digester Customer- Generators: Net Metering
AB 1007 (Pavley) Chapter 371, Statutes of 2005	Air Quality: Alternative Fuels
AB 1099 (Leno) Chapter 193, Statutes of 2005	Property Tax Exemption: Exclusion from New Construction: Active Solar Energy Systems
AB 1576 (Nuñez) Chapter 374, Statutes of 2005	Electrical Corporations: Rates: Repowering Projects
AB 1585 (Blakeslee) Chapter 579, Statutes of 2005	Renewable Energy Resources: State Energy Resources Conservation and Development Commission: Reporting
AB 1723 (La Malfa) Chapter 703, Statutes of 2005	Integrated Energy Policy Report: Load Loss or Addition
AB 1732 (La Malfa) Chapter 98, Statutes of 2005	Natural gas: Gas Consumption Surcharge Fund
SB 71 (Budget and Fiscal Review Committee) Chapter 81, Statutes of 2005	Resources
SB 76 (Budget and Fiscal Review Committee) Chapter 91, Statutes of 2005	Energy
SB 816 (Kehoe) Chapter 105, Statutes of 2005	Electric Service Providers: Net Metering
SB 1037 (Kehoe) Chapter 366, Statutes of 2005	Energy Efficiency

## **2005 Chaptered Legislation**

### **Bill Abstracts**

<b>AB 200 (Leslie), Chapter 50, Statutes of 2005 - Renewable Energy Resources: California Renewables Portfolio Standards Program</b>
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**Effective:** January 1, 2006

**Summary:** This bill modifies the manner in which an electrical corporation with fewer than 60,000 customers in California, that also serves customers in other states meets California's Renewable Portfolio Standard (RPS).

**Energy Commission Responsibilities:** Potential consultation role with the Public Utilities Commission.

**Sections Affected:** Public Resources Code - Adds § 399.17.

<b>AB 380 (Nuñez), Chapter 367, Statutes of 2005 – Electricity: Electrical Restructuring: Resource Adequacy</b>
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**Effective:** January 1, 2006

**Summary:** This bill requires the Public Utilities Commission (PUC), in consultation with the California Independent System Operator (CAISO), to establish resource adequacy requirements for most, but not all, load serving entities (LSEs). The bill also requires the Energy Commission to report, in each Integrated Energy Policy Report (IEPR), publicly-owned electric utility (POU) progress towards meeting resource adequacy.

**Energy Commission Responsibilities:** The Energy Commission is required to report to the Governor and Legislature on POU progress and to include that information in each IEPR.

**Sections Affected:** Public Utilities Code - Adds § 380 and § 9620.

**AB 728 (Negrete McLeod), Chapter 369, Statutes of 2005 – Electricity: Biogas  
Digester Customer-Generators: Net Metering**

**Effective:** January 1, 2006

**Summary:** The existing biogas ‘pilot’ net metering program sunsets on January 1, 2006. AB 728 extends and expands the pilot for facilities that are operational by December 31, 2009; authorizes an eligible biogas digester customer-generator to continue under an established net energy metering tariff for the life of an eligible facility; increases the cap on an individual biogas facility from 1MW to 10 MW; increases the statewide cumulative biogas digester generation for Investor-Owned Utility (IOU) service territories to 50 megawatts (MW); and, requires the Energy Commission, in collaboration with the Air Resources Board (ARB), to report on the program by December 31, 2008.

**Energy Commission Responsibilities:** Requires the Energy Commission, in collaboration with the ARB, to report to the Legislature on the impact of the program on air emissions, the reliability of the transmission and distribution grid, and the impact on electricity ratepayers.

**Sections Affected:** Public Utilities Code - Amends § 2827.9.

**AB 1007 (Pavley), Chapter 371, Statutes of 2005 – Air Quality: Alternative Fuels**

**Effective:** January 1, 2006

**Summary:** This bill requires the Energy Commission, in partnership with the Air Resources Board (ARB), and in consultation with other agencies, to develop and adopt recommendations for a state plan to increase the use of alternative transportation fuels. The report is due to the Legislature by June 30, 2007.

**Energy Commission Responsibilities:** In partnership with the ARB, and in consultation with the State Water Resources Control Board, Department of Food and Agriculture, and other relevant state agencies, develop and adopt recommendations for a state plan to increase the use of alternative transportation fuels with goals for 2012, 2017, and 2022. The plan will evaluate alternative fuels including the full fuel cycle assessment of air, water, and other emissions that are known to damage human health, petroleum consumption impacts; and other matters deemed necessary.

**Sections Affected:** Health and Safety Code - Adds Article 6.5 (commencing with § 43865) to Chapter 4 of Part 5 of Division 26.

**AB 1099 (Leno), Chapter 193, Statutes of 2005 - Property Tax Exemption:  
Exclusion from New Construction: Active Solar Energy Systems**

**Effective:** January 1, 2006

**Summary:** This bill extends the new construction property tax exclusion for active solar energy systems to solar energy systems installed and operational through the 2008-09 fiscal year, inclusive.

**Energy Commission Responsibilities:** Minor consultation role.

**Sections Affected:** Revenue and Taxation Code - Amends § 73.

**AB 1576 (Nuñez), Chapter 374, Statutes of 2005 - Electrical Corporations: Rates:  
Repowering Projects**

**Effective:** January 1, 2006

**Summary:** This bill encourages investor-owned utilities (IOUs) to sign long-term power contracts on a cost-of-service basis for repowered electric plants. In addition, the bill requires that IOUs meet specified procurement criteria as defined in Public Utilities Code Section 454.5, in order to have their costs deemed reasonable. Further, the bill requires the Energy Commission, in consultation with the State Water Resources Control Board (SWRCB), to report in the Integrated Energy Policy Report (IEPR) to be adopted November 1, 2007, on the progress made toward implementing specified environmental performance standards for power plants.

**Energy Commission Responsibilities:** In consultation with the SWRCB, report in the IEPR, to be adopted on November 1, 2007, a review of the progress made toward implementing the performance standards adopted by the Administer of the Environmental Protection Agency, pursuant to the federal Water Pollution Control Act for electrical generating facilities requiring Energy Commission certification.

**Sections Affected:** Public Utilities Code - Adds § 454.6.

**AB 1585 (Blakeslee), Chapter 579, Statutes of 2005 - Renewable Energy  
Resources: State Energy Resources Conservation and Development Commission:  
Reporting**

**Effective:** January 1, 2006

**Summary:** This bill requires the Energy Commission to review the feasibility of increasing the Renewable Portfolio Standard (RPS) target to 33 percent by 2020 and to include policy recommendations within the Integrated Energy Policy Report (IEPR) by November 1, 2007.

**Energy Commission Responsibilities:** Review the feasibility of increasing the target for the amount of electricity to be procured from eligible renewable energy resources to 33percent by the year 2020, and include the results of the review within the IEPR by November 1, 2007.

**Sections Affected:** Public Resources Code – Adds § 25305.2; repeals § 25305.2 on January 1, 2008.

**Governor's Signing Message:**

**Date Signed:** October 6, 2005

*To the Members of the California State Assembly:*

*I am signing Assembly Bill 1585 which is a bill that I sponsored that directs California's Energy agencies to include a review of the feasibility of accelerating the renewable portfolio standard for electricity to 33 percent by the year 2020. Expanding the use of renewable energy has been a cornerstone of my environmental and energy action plans. Renewable energy provides clean megawatts of electricity with little or no air pollution, greenhouse gas emissions, and some forms convert waste products to useful electricity. Identifying the opportunities and challenges associated with such an aggressive target is fundamental in making the goal a reality.*

*Unfortunately, this measure was joined to another measure requiring concurrent enactment and that measure did not pass the Legislature. By signing this measure I am directing the appropriate agencies to include the review required by this bill in the next update of the Integrated Energy Policy Report even though this measure will not be enacted.*

*Sincerely,*

*Arnold Schwarzenegger*



**AB 1723 (La Malfa), Chapter 703, Statutes of 2005 - Integrated Energy Policy  
Report: Load Loss or Addition**

**Effective:** January 1, 2006

**Summary:** This bill requires investor-owned utilities (IOUs) and newly formed publicly-owned-electric utilities (POUs) to file demand forecasts with the Energy Commission that detail their potential loss or addition of load. The bill requires the assessment to be an ongoing part of the Energy Commission's Integrated Energy Policy Report (IEPR).

**Energy Commission Responsibilities:** Requires the Energy Commission to perform an informational assessment in the service territory of each IOU of the loss or addition of the load and submit the results to the Public Utilities Commission (PUC). Authorizes the Energy Commission to exempt a POU from these particular forecasting requirements if they are not planning to acquire additional load beyond its existing exclusive service territory within the forecast period described by the Energy Commission.

**Sections Affected:** Public Resources Code - Adds § 25302.5.

**AB 1732 (La Malfa), Chapter 98, Statutes of 2005 - Natural Gas: Gas Consumption  
Surcharge Fund**

**Effective:** July 21, 2005

**Summary:** This bill provides the Energy Commission the ability to administer the research program funded by the Natural Gas Consumption Surcharge Fund using the same procedures as it uses for the Public Interest Energy Research (PIER) Program Fund.

**Energy Commission Responsibilities:** Administer the research program funded by the Natural Gas Consumption Surcharge Fund using the same procedures as it uses for the PIER Program.

**Sections Affected:** Public Utilities Code - Amends § 895.

<b>SB 71 (Committee on Budget and Fiscal Review), Chapter 81, Statutes of 2005 - Resources</b>
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**Effective:** July 19, 2005

**Summary:** This bill is one of a series of budget trailer bills that make various changes in the areas of natural resources and environmental protection. This bill requires that, on or before March 15, 2006, the Energy Commission prepare a workload and staffing plan for the Public Interest Energy Research (PIER) program to determine the most cost-effective balance of contractors and employees based on projected increases in workload.

**Energy Commission Responsibilities:** This bill requires the Energy Commission, on or before March 15, 2006, to prepare and submit to the appropriate policy and fiscal committees of the Legislature, a report setting forth a long-term research priority, program management, and staffing plan for the PIER Program. Requires the evaluation to consider the manageability of an increasing number of projects and whether the number of projects should be limited, which areas of research have proven most productive, and structural changes to provide a greater degree of operational independence and research leadership to address the long-term problems identified by the Independent Review Panel in its March 2004 report. The Energy Commission will include this information in their Five-Year Investment Plan for the PIER program.

**Relevant Sections Affected:** Public Utilities Code - Adds § 384.1

<b>SB 76 (Committee on Budget and Fiscal Review), Chapter 91, Statutes of 2005 - Energy</b>
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**Effective:** January 1, 2006

**Summary:** This bill is one of a series of budget trailer bills that make various changes in the areas of natural resources and environmental protection. Specific to the Energy Commission, this bill authorizes Public Interest Energy Research (PIER) Program funding to be allocated for transportation as well as stationary projects if a project would provide a ratepayer benefit. Further, one half of the Natural Gas Consumption Surcharge funds must be spent under joint research plan developed by the Energy Commission and the Air Resources Board (ARB) and approved by the Public Utilities Commission (PUC) with up to one-third of those funds being available to transportation projects with ratepayer benefit but these funds cannot be used to fund the California Hydrogen Highway Blueprint Plan. These natural gas program provisions sunset on January 1, 2009.

**Energy Commission Responsibilities:** Requires the Energy Commission, in consultation with the ARB, to develop a joint research plan that would make up to one-third of the natural gas consumption charge available to transportation projects with ratepayer benefit but cannot be used to fund the California Hydrogen Highway Blueprint Plan. The natural gas program provisions sunset on January 1, 2009. The natural gas research plan is subject to the approval of the PUC.

**Sections Affected:** Business and Professions Code - Amends the heading of Chapter 14 (commencing with § 13400) of Division 5, amends § 13401, and adds Article 5.5 (commencing with § 13446) to Chapter 14 of Division 5. Public Utilities Code - Amends § 384 and 740.8, and adds and repeals § 901.

**The Governor's Signing Message Follows on Next Page:**

## Governor's Signing Message:

**DATE SIGNED:** July 21, 2005

*To the Members of the California State Senate:*

*I am signing Senate Bill 76, a budget trailer bill establishing authority and appropriating funds to implement the first stage of the hydrogen highway in California.*

*This bill expands the technologies eligible to seek funding from Public Interest Research, Development and Demonstration Fund to include projects that serve the energy needs of both stationary and transportation purposes and provide a benefit to the electricity ratepayer. The clear intent was to provide funding opportunities for emerging technologies within the existing resources in the program not to provide an avenue or reason to raise rates to fund additional activities.*

*Sincerely,*

*Arnold Schwarzenegger*

<b>SB 816 (Kehoe), Chapter 105, Statutes of 2005 - Electric Service Providers: Net Metering</b>
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**Effective:** January 1, 2006

**Summary:** This bill requires the San Diego Gas and Electric Company (SDG&E) to make available to customers, a standard net energy metering tariff, until the total amount of system net energy metering exceeds 50 megawatts (the net metering cap). The bill requires the Public Utilities Commission (PUC), when interconnected net metering for SDG&E reaches 50 megawatts (MW), to re-evaluate the new cap and to prepare and submit to the Legislature a report recommending any modification to the limit that the PUC determines is necessary.

**Energy Commission Responsibilities:** Potential minor consultation role with the PUC.

**Sections Affected:** Public Utilities Code - Amends § 2827.

<b>SB 1037 (Kehoe), Chapter 366, Statutes of 2005 – Energy Efficiency</b>
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**Effective:** January 1, 2006

**Summary:** This bill codifies the first priority of the “loading order” in Energy Action Plan 1 (EAP1), energy efficiency. The bill requires the Public Utilities Commission (PUC), in consultation with the Energy Commission, to identify all potentially achievable cost-effective electricity efficiency measures. Further, this bill requires electrical and gas corporations to first meet their unmet resource needs through all available energy efficiency and demand reduction resources that are cost-effective, reliable and feasible when proposing and implementing a procurement plan. Finally, publicly-owned-electric utilities (POUs) are required to report their investments in energy efficiency programs annually to its customers and the Energy Commission.

The PUC intends to implement a new efficiency program development, evaluation, monitoring, and verification process and will take over this effort from the utilities. This eliminates conflict-of-interest problems, in which utilities hired evaluators who estimated program impacts, affecting payments to utility shareholders. Because the Energy Commission has expertise in these areas, the PUC is planning a formal agreement for the Energy Commission to assume many of these responsibilities if positions can be established. The Energy Commission will solicit contractors and manage monitoring and evaluation contracts. This will involve managing 10 to 20 evaluation reports per year, or .3 to .6 PY per contract. Utility staffing averages about .66 PY per contract.

**Energy Commission Responsibilities:** Provide consultation for the PUC to identify all potentially achievable cost-effective electricity efficiency savings and establish efficiency targets for electric and gas corporations.

**Sections Affected:** Public Utilities Code - Amends and repeals § 454.5, and adds § 454.55, 454.56, 1002.3, and 9615.

## ENERGY COMMISSION-SPECIFIC BILLS

### 2005 Vetoed Legislation

Bill Number	Subject
AB1383 (Pavley)	Electricity: Solar energy: Low-Income Housing Development Revolving Loan Program

**AB 1383 (Pavley) - Electricity: Solar Energy: Low-Income Housing Development Revolving Loan Program**

**Summary:** This bill would have established the Low-Income Housing Revolving Loan Program in the State Treasury and required an annual appropriation by the Legislature. The bill would have created a revolving loan program, administered by the Energy Commission, for use by affordable housing developers to finance up to 75 percent of the cost of photovoltaic systems. The program would have been funded out of existing Public Utilities Commission (PUC) and Energy Commission funds set aside for photovoltaic subsidies. The loan program would have sunset on January 1, 2016.

**Energy Commission Responsibilities:** Would have been to administer the program; seed the loan fund from the Energy Commission Emerging Renewables Resources Account (ERRA) and the Public Utilities Commission self-generation incentive program (SGIP) as of July 1, 2005; annually report to the Legislature on the portfolio of loans, the condition of the fund, and the anticipated demand, beginning October 31, 2007; evaluate and annually report to the Legislature the level of funding needed and provide that a certain amount of monies would be transferred from the ERRA and the SGIP for distributed generation resources beginning January 10, 2006; collect a fee for each application for an allocation; and, establish requirements for repayment of the allocations.

**Sections Affected:** Public Resources Code - Adds and repeals Chapter 5.6 (commencing with§ 25460) of Division 15.

**The Governor's Veto Message Follows on Next Page:**



**Date Vetoed:** October 7, 2005

*To the Members of the California State Assembly:*

*I am returning Assembly Bill 1383 without my signature.*

*Solar energy offers all Californians a great opportunity to increase our peak energy production with safe reliable renewable energy. This is why I developed the "Million Solar Roofs Initiative" which is an aggressive comprehensive solar plan that will result in the creation of 3,000 mega watts of clean energy by the year 2018. Recognizing the initial capital investment for solar can be an impediment for some Californians, my plan included several incentives for those individuals including an exemption from the surcharge for all customers that participate in the state and federal rate reduction programs and a mandate that at least 10 percent of the funds spent under that program go to affordable housing projects. This is in addition to existing law that provides an additional 25 percent increase in the amount of incentive for qualified low wealth applicants.*

*This bill creates the Low Income Housing Development Revolving Loan Program to help finance solar systems on affordable housing projects. As demonstrated by inclusion in my comprehensive plan, this is a concept I strongly support, however there are significant flaws with this bill. The funding sources identified as seed money for the program are the Emerging Renewable Resources Account (ERRA) at the California Energy Commission and the Self Generation Incentive Program (SGIP) at the California Public Utilities Commission. The ERRA has a zero balance and will not have any additional funding through December 31, 2008 and the SGIP program is limited to commercial and industrial projects. Additionally, the SGIP program is a reimbursement program for the Investor Owned Utilities; no funding is ever collected making it unclear how any seed money would be made available.*

*I encourage the Legislature to pass my "Million Solar Roof Initiative" which guarantees access to affordable solar energy for all Californians, including those with limited financial means.*

*Sincerely*

*Arnold Schwarzenegger*

## SECTION II

### GENERAL ENERGY-RELATED BILLS

#### 2005 Chaptered Legislation

Bill Number	Subject
AB 67 (Levine) Chapter 562, Statutes of 2005	Energy: Rates: Report to the Legislature: Fuel Cell Customer-Generators
AB 515 (Richman) Chapter 368, Statutes of 2005	State Water Project: Solar Photovoltaic Panels and Systems
AB 694 (Chan) Chapter 568, Statutes of 2005	Motor Vehicle Air Pollution Control: District Fees: Bay Area Air Quality Management District
AB 1222 (Jones) Chapter 574, Statutes of 2005	Air pollution: locomotive air pollution control: Remote Sensing Pilot Program
AB 1229 (Nation) Chapter 575, Statutes of 2005	Air Pollution: New Motor Vehicles: Air Pollution Label
AB 1348 (Runner, S.) Chapter 373, Statutes of 2005	Antelope Valley Fairgrounds EE and PV Synergy Demonstration Project
AB 1660 (Pavley) Chapter 580, Statutes of 2005	Vehicular Air Pollution: Energy-Efficient Vehicles
AJR 5 (Oropeza) Chapter 84, Statutes of 2005	Corporate Average Fuel Economy Standards
SB 15 (Escutia) SB 467 (Lowenthal)	Public Utilities Commission Carl Moyer Memorial Air Quality Standards Attainment Program
Chapter 209, Statutes of 2005	Public Utilities Commission: Low-Income Oversight Board and California Alternate Rates for Energy Program
SB 580 (Escutia) Chapter 662, Statutes of 2005	Environment: Border Region: Waste and Used Tires
SB 772 (Ducheny) Chapter 214, Statutes of 2005	Air Quality: Biodiesel Fuel
SB 975 (Ashburn) Chapter 365, Statutes of 2005	

## **2005 Chaptered Legislation**

### **Bill Abstracts**

<b>AB 67 (Levine), Chapter 562, Statutes of 2005 – Energy: Rates: Report to the Legislature: Fuel-Cell Customer Generators</b>
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**Effective:** January 1, 2006

**Summary:** This bill requires the Public Utilities Commission (PUC) to annually report on the elements embedded in electricity and gas rates. This bill also extends the net metering benefits established by AB 1214 (Firebaugh), Chapter 661, 2003, for specified fuel cell customer-generators by removing the January 1, 2006 sunset date.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code - Amends § 2827.10, and adds § 747

<b>AB 515 (Richman), Chapter 368, Statutes of 2005 – State Water Project: Solar Photovoltaic Panels and Systems</b>
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**Effective:** January 1, 2006

**Summary:** This bill allows the Department of Water Resources (DWR) to establish a program for private entities to lease space above appropriate conveyance facilities of the State Water Project (SWP) for the purposes of installing solar panels and systems for generating electricity. In addition, AB 515 authorizes the DWR to impose charges for the purposes of carrying out these provisions.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Water Code – Adds § 141.

**AB 694 (Chan), Chapter 568, Statutes of 2005 - Motor Vehicle Air Pollution  
Control: District Fees: Bay Area Air Quality Management District**

**Effective:** January 1, 2006

**Summary:** This bill deletes from specified projects and programs the implementation of low-emission and zero-emission vehicle programs, and instead, adds the implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations, thereby creating a state-mandated local program by imposing new duties on the Bay Area Air Quality Management District (BAAQMD). The bill authorizes BAAQMD to allocate fee revenues for those mobile source emissions projects to entities that include, but are not limited to, public agencies, consistent with applicable policies adopted by the governing board.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code – Amends § 44241.

**AB 1222 (Jones), Chapter 574, Statutes of 2005 – Air Pollution: Locomotive Air  
Pollution Control: Remote Sensing Pilot Program**

**Effective:** January 1, 2006

**Summary:** This bill establishes the Remote Sensing Pilot Program, and requires the Air Resources Board (ARB) to implement a pilot program to determine emissions from locomotives using wayside remote sensing devices.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code – Adds Chapter 8 (commencing with § 39940) to Part 2 of Division 26.

**AB 1229 (Nation), Chapter 575, Statutes of 2005 – Air Pollution: New Motor Vehicles: Air Pollution Label**

**Effective:** January 1, 2006

**Summary:** This bill expands the requirement to place exhaust emissions information for 1976 and subsequent model year motor vehicles on the emissions index decal to include the affixation of additional emissions data, as provided, on any new motor vehicle. The bill requires the decal to be affixed to the driver's side window or, if it cannot be so placed, to the windshield. The bill requires a specified smog index and a global warming index be included on the emissions information decal that the state board is authorized, by regulation to require. The bill requires the state decal to be renamed the air pollution label. The bill is subject to the above provisions, at a minimum, all passenger cars and light-duty trucks with a gross vehicle weight of 8,500 pounds or less, and all vehicles that are subject to those regulations adopted by the state board pertaining to achieving reductions in global warming gases.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code – Amends § 43200, and adds § 43200.1.

**AB 1348 (Runner, S.), Chapter 373, Statutes of 2005 - Antelope Valley Fairgrounds EE and PV Synergy Demonstration Project**

**Effective:** January 1, 2006

**Summary:** This bill authorizes the establishments of the Antelope Valley Fairgrounds EE and PV Synergy Demonstration Project, as specified, at the Antelope Valley Fairgrounds, a project that would include the installation of cost-effective energy efficient equipment and fixtures, and a photovoltaic solar energy system of up to 630 kilowatts. The bill requires an electrical corporation providing electrical service to the Antelope Valley Fairgrounds to file a tariff with the commission meeting certain criteria. This bill contains other existing laws.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code – Adds and repeals § 379.7.

**AB 1660 (Pavley), Chapter 580, Statutes of 2005 – Vehicular Air Pollution: Energy-Efficient Vehicles**

**Effective:** January 1, 2006

**Summary:** This bill creates the California Energy-Efficient Vehicle Group Purchase Program within the Department of General Services (DGS). The bill requires the DGS Director to establish an advisory committee by April 1, 2006, and to notify affected entities about the energy-efficient vehicle purchasing program that will allow local and state agencies to leverage the combined government efforts and lower vehicle purchase prices.

**Energy Commission Responsibilities:** None specified but the Energy Commission is likely to be asked to be part of the Advisory Committee.

**Sections Affected:** Health and Safety Code –Adds Article 1.5 (commencing with § 43810) to Chapter 4 of Part 5 of Division 26. Public Resources Code - Adds Chapter 8.4 (commencing with § 25725) to Division 15.

**AJR 5 (Oropeza), Chapter 84, Statutes of 2005 – Corporate Average Fuel Economy Standards**

**Effective:** January 1, 2006

**Summary:** This measure memorializes the Congress and the President of the United States to take necessary action to increase corporate average fuel economy (CAFE) standards by at least 1.5 miles per gallon per annum until total average fuel economy for the new light-duty motor vehicle fleet sold in California is double today's average.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Not Applicable.

**SB 15 (Escutia), Chapter 591, Statutes of 2005 - Public Utilities Commission**

**Effective:** January 1, 2006

**Summary:** This bill would extend from 10 days to 30 days the minimum public review/comment period for alternate decisions published by a member of the Public Utilities Commission. The information would be posted on the Internet under certain conditions.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code – Amends § 311 and 311.5.

**SB 467 (Lowenthal), Chapter 209, Statutes of 2005 – Carl Moyer Memorial Air Quality Standards Attainment Program**

**Effective:** January 1, 2006

**Summary:** This bill requires the Air Resources Board (ARB) to revise the grant criteria and guidelines to incorporate projects in which an applicant turns in nonroad internal combustion technology and equipment that the applicant owns and that still has some useful life, coupled with the purchase of new nonroad electric technology and equipment that is in a similar category or that can perform the same work. The bill imposes certain restrictions on the state board's evaluation of the cost-effectiveness of a project.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code – Adds § 44287.1.

**SB 580 (Escutia), Chapter 662, Statutes of 2005 - Public Utilities Commission:  
Low-Income Oversight Board and California Alternate Rates for Energy program**

**Effective:** January 1, 2006

**Summary:** This bill expands the duties of the Low-Income Oversight Board (LIOB) to include advising the Public Utilities Commission (PUC) on low-income water customer issues and to serve as a liaison for the PUC to those low-income ratepayers and representatives. The bill increases the membership of the LIOB by 2 persons selected by the PUC, the first with expertise in the low-income community and who is not affiliated with any state agency or utility group, and the second who is a representative of a water corporation. This bill expands the duties of the Low-Income Oversight Board to include assisting the PUC in complying with certain requirements of the California Alternate Rates for Energy (CARE) program. The bill requires the Secretary of the California Health and Human Services Agency to evaluate, on or before April 1, 2006, how the use of programs and databases, as specified, may be optimized to facilitate the automatic enrollment of eligible customers into the CARE program.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Government Code – Adds § 12803.4. Public Utilities Code - Amends § 382.1 and 739.1.

**SB 772 (Ducheny), Chapter 214, Statutes of 2005 – Environment: Border Region:  
Waste and Used Tires**

**Effective:** January 1, 2006

**Summary:** This bill requires the California EPA to establish a border environmental program, which would be required to include, by January 1, 2007, developing and submitting a report to the Legislature regarding cross-border used and waste tire practices and detailed information on waste tire pile characteristics.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Resources Code – Amends § 42885.5.



<b>SB 975 (Ashburn), Chapter 365, Statutes of 2005 – Air Quality: Biodiesel Fuel</b>
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**Effective:** January 1, 2006

**Summary:** This bill allows specified public fleets to utilize a biodiesel blend of not more than 20 percent biodiesel fuel in any retrofitted vehicular or off-road diesel engine certified by the Air Resources Board (ARB) until January 1, 2008. This bill seeks to remedy the conflict between federal policy seeking petroleum reduction and ARB fleet rules.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Health and Safety Code – Adds and repeal Article 6 (commencing with § 43860) of Chapter 4 of Part 5 of Division 26.

## GENERAL ENERGY-RELATED BILL

### 2005 Vetoed Legislation

Bill Number	Subject
AB 1357 (Ruskin)	State Motor Vehicle Fleets

## 2005 Vetoed Legislation

### Bill Abstract

#### AB 1357 (Ruskin) – State Motor Vehicle Fleets

**Summary:** This bill would have required the Director of General Services (DGS) to compile and maintain prescribed information on the number of bifuel natural gas and bifuel propane vehicles purchased or leased by the state during the year, the total number owned or leased as of December 31 of each year, and the total amount of fuel used during the year by those vehicles, itemized by type of fuel, as of December 31 of each year.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Resources Code - Amends § 25722.5.

### Governor's Veto Message:

**Date Vetoed:** October 4, 2005

*To the Members of the California State Assembly:*

*I am returning Assembly Bill 1357 without my signature.*

*While I am supportive of the author's goal to encourage the State to adopt alternatives to petroleum-based fuels, this bill is unnecessary since it essentially duplicates existing State policy. Current law already requires the Department of General Services' Office of Fleet Administration to collect fuel use data, and thus, the provisions of this bill have been incorporated into my Administration's fleet vehicle data collection practices. While this bill provides additional rationale for data collection activities, it is not necessary.*

*For this reason, I am unable to sign this bill.*

*Sincerely,*

*Arnold Schwarzenegger*

**SECTION III**

**POTENTIAL 2-YEAR BILLS**

**Energy Commission-Specific Bills**

<b>Bill Number</b>	<b>Subject</b>
AB 32 (Pavley)	Greenhouse Gas Emissions
AB 315 (Hancock)	School Facilities: Energy Efficiency: Design Standards
AB 426 (Bogh)	HOV Lanes
AB 974 (Nuñez)	Energy Resources: Public Utilities Commission: Transmission Siting
AB 993 (Canciamilla)	Planning and Forecasting: Liquefied Natural Gas
AB 1165 (Bogh)	Energy Resources: Energy Agency Reorganization: Department of Energy: California Energy Commission: Office of Energy Market Oversight
AB 1362 (Levine)	Renewable Energy: California Renewables Portfolio Standard Program: Renewable Energy Credits
AB 1365 (Ruskin)	Greenhouse Gas Emission Levels
AB 1632 (Blakeslee)	Energy: Planning and Forecasting
SB 1 (Murray)	Electricity: Renewable Energy Resources: Million Solar Roofs Initiative: Contractors: Regulation of Electrical Work
SB 107 (Simitian)	Renewable Energy
SB 426 (Simitian)	State Energy Resources Conservation and Development Commission: Liquefied Natural Gas Terminals
SB 757 (Kehoe)	Oil Conservation, Efficiency, and Alternative Fuels Act
SB 1003 (Escutia)	Energy Resources: Liquefied Natural Gas Terminals
SB 1059 (Escutia)	Electric Transmission Corridors

## Energy Commission-Specific Bills

### Bill Abstracts

#### AB 32 (Pavley) – Greenhouse Gas Emissions

**Summary:** This bill would revise the functions and duties of the California Climate Action Registry (Registry) by requiring the Registry, in coordination with the California Environmental Protection Agency (CalEPA) and the Energy Commission, to adopt specified procedures and protocols both for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emission reduction projects, and for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emissions resulting from specified industrial sectors.

**Energy Commission Responsibilities:** Not Specified.

**Sections Affected:** Health and Safety Code – Amends § 42801 and 42823. Adds Chapter 6.5 (commencing with § 42875) to part 4 of division 26.

#### AB 315 (Hancock) - School Facilities: Energy Efficiency: Design Standards

**Summary:** This bill would require the State Allocation Board (SAB), by July 1, 2007, to adopt regulations to ensure that design standards for new school facilities or modernized projects built with state funds are in accordance with, among other requirements, the minimum design and construction criteria in the Collaborative for High Performance Schools (CHPS) Best Practices Manual.

**Energy Commission Responsibilities:** Non specified, although the Energy Commission participates in CHPS.

**Sections Affected:** Education Code - Adds § 17077.36.

**AB 426 (Bogh) – High Occupancy Vehicle Lanes**

**Summary:** This bill would require the California Department of Transportation (CalTrans) and local agencies to convert all high-occupancy vehicle (HOV) lanes that currently operate on a 24-hour basis to part-time HOV lanes that operate as mixed-flow lanes except during peak periods.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Vehicle Code – Adds and Repeals § 21655.1.

**AB 974 (Nuñez) – Energy Resources: Public Utilities Commission: Transmission Siting**

**Summary:** This bill would require the Public Utilities Commission (PUC), by July 1, 2006, to prepare and implement a comprehensive plan to streamline the transmission permitting and siting process. The PUC would be required to consult with, among other entities, the Energy Commission and the California Independent System Operator (CAISO) in preparing the plan.

**Energy Commission Responsibilities:** Consult with the PUC; among other appropriate federal, state, and local agencies, and Native American tribes, and the public in the preparation and implementation of the plan.

**Sections Affected:** Public Utilities Code – Adds § 1105.

**AB 993 (Canciamilla) – Planning and Forecasting: Liquefied Natural Gas**

**Summary:** This bill would require the Energy Commission to assess the role of liquefied natural gas (LNG) in meeting California's natural gas needs, including, but not limited to, a cost/benefit analysis. In addition, it would authorize the Energy Commission to use existing studies and data when preparing the assessment.

**Energy Commission Responsibilities:** Assess the role of LNG in meeting California's natural gas needs, including, but not limited to, a cost/benefit analysis and prepare the assessment in conformance with the Energy Commission's duties. The Energy Commission may prepare the assessment using any existing studies and data that are readily available.

**Sections Affected:** Public Resources Code – Adds § 25303.5.

**AB 1165 (Bogh) - Energy Resources: Energy Agency Reorganization: Department of Energy: California Energy Commission: Office of Energy Market Oversight.**

**Summary:** This bill would consolidate existing energy-related agencies, including the Energy Commission, under a newly created Department of Energy. In addition, the bill would transfer the Public Utilities Commission's (PUC) natural gas and transmission siting authority to the Department of Energy.

**Energy Commission Responsibilities:** As defined in the bill.

**Sections Affected:** Code of Civil Procedure - Amends § 1250.310. Corporations Code - Amends § 14074. Education Code - Amends § 17910.1, 17911.2, 17911.3, 17911.4, 17911.6, 17912, 17912.2, 17925, and 41304. Financial Code - Amends § 32321, 32322, 32940, and 32942, and repeals § 32208. Fish and Game Code - Amends § 9100 and 9101. Government Code - Amends § 11550, 11553, 12802.5, 12805, 14450, 14684, 14684.1, 15814.22, 15814.23, 15814.30, 15814.34, 66645, and 66646, and amends and renumbers § 15814.25. Public Resources Code - Amends § 3808, 3822.1, 3822.2, 4799.16, 6815.2, 14584, 21080, 25104, 25106, 25107, 25110, 25112, 25205, 25207, 25212, 25214, 25215, 25216, 25216.5, 25217.1, 25218, 25218.5, 25219, 25220, 25221, 25222, 25223, 25224, 25225, 25226, 25301, 25302, 25303, 25304, 25305, 25305.5, 25306, 25320, 25321, 25322, 25323, 25324, 25354, 25356, 25357, 25358, 25362, 25364, 25366, 25400, 25401, 25401.2, 25401.5, 25401.6, 25401.7, 25402, 25402.1, 25402.3, 25402.6, 25402.9, 25403, 25403.5, 25403.8, 25404, 25410.5, 25410.6, 25412, 25413, 25414, 25415, 25416, 25417, 25417.5, 25419, 25420, 25426, 25433.5, 25434, 25434.5, 25435, 25436, 25441, 25442, 25442.5, 25442.7, 25443, 25443.5, 25445, 25449, 25449.1, 25449.2, 25449.3, 25494, 25496, 25509.5, 25519, 25521, 25531, 25534, 25601, 25602, 25603, 25603.5, 25608, 25610, 25616, 25617, 25618, 25619, 25620, 25620.1, 25620.2, 25620.3, 25620.4, 25620.5, 25620.6, 25620.7, 25620.8, 25620.9, 25620.10, 25620.11, 25630, 25678, 25679, 25696, 25696.5, 25697, 25700, 25701, 25702, 25703, 25704, 25705, 25720, 25721, 25722, 25722.5, 25723, 25730, 25741, 25742, 25743, 25744, 25745, 25747, 25748, 25749, 25750, 25750, 25751, 25771, 25803, 25900, 25901, 25902, 25911, 25942, 25967, 25968, 26004, 26011.5, 26011.6, and 30404, amends the heading of Chapter 3 (commencing with § 25200) of Division 15, add § 3806.5, 25104.1, 25104.2, 25205.5, 25207.5, and 25208, adds Chapter 3.5 (commencing with § 25227) to Division 15, repeals § 3805.5, 25213, 25217, and 25217.5, and repeals and adds § 25200, 25201, 25202, 25203, 25204, and 25206. Public Utilities Code - Amends § 332.1, 348, 350, 352, 353.7, 360, 365, 366.1, 366.2, 381, 383, 384, 398.2, 398.3, 398.5, 399.1, 399.6, 399.7, 399.8, 399.11, 399.12, 399.13, 399.15, 399.16, 454.5, 464, 848.1, 1001, 1731, 1768, 1822, 2774.6, 2826.5, 2826.6, 2827, 3302, 3310, 3320, 3330, 3341, 3341.1, 3341.2, 3345, 3370, and 9502, add § 322, 345.1, 345.2, 1001.1, and 1001.2, repeals § 383.6, 399.1, 454.5, 3325, 3326, and 3327, repeals Article 2 (commencing with § 334) of Chapter 2.3 of Part 1 of Division 1, and repeals and adds § 3340. Water Code - Amends § 80000 and adds § 80001 and 80001.5.

**AB 1362 (Levine) - Renewable Energy: California Renewables Portfolio Standard Program: Renewable Energy Credits**

**Summary:** This bill would accelerate the Renewable Portfolio Standard (RPS) to require electrical corporations to serve 20% of the retail load with eligible renewable energy by 2010 rather than 2017. This bill is triple-joined to SB 107 (Simitian) and AB 1585 (Blakeslee).

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Resources Code – Amends § 25740. Public Utilities Code – Amends § 399.1 and 399.15.

**AB 1365 (Ruskin) – Greenhouse Gas Emission Levels**

**Summary:** This bill would require the Governor's Office of Planning and Research (OPR) to include in their State Environmental Goals and Policy Report (EGPR) an additional state planning priority to reduce greenhouse gas (GHG) emissions by at least 7% by 2010 and 10% by 2020 from 1990 greenhouse gas emission levels.

**Energy Commission Responsibilities:** Unknown.

**Sections Affected:** Government Code – Amends § 65041.1.

**AB 1632 (Blakeslee) – Energy: Planning and Forecasting**

**Summary:** This bill would require the Energy Commission to conduct an evaluation of the vulnerability of existing large baseload generation facilities (1,700 MW or greater) to a major disruption due to aging or a catastrophic event, such as a major earthquake.

**Energy Commission Responsibilities:** Compile and assess scientific studies in order to determine the potential vulnerability of California's generating plants exceeding 1,700 MW or greater, and that the assessment include an analysis of the impact of such major disruption on system reliability, public safety, and the economy. The bill would authorize the Energy Commission to work with other entities, such as the CAISO and the Seismic Safety Commission, to gather and analyze the information prescribed by this measure. Update its analysis to the extent new studies are issued that reflect further understanding of seismic hazards, and incorporate the above analysis into its biennial IEPR.

**Sections Affected:** Public Resources Code – Amends § 25303.



**SB 1 (Murray) - Electricity: Renewable Energy Resources: Million Solar Roofs Initiative: Contractors: Regulation of Electrical Work**

**Summary:** This bill would establish the Million Solar Roofs Initiative (MSRI), administered by the Energy Commission, with the goal of placing 1,000,000 solar energy systems on new and existing residential and commercial customer sites, or its generation capacity equivalent of 3,000 megawatts, establishing a self-sufficient solar industry in 10 years, and placing solar energy systems on 50 percent of new homes in 13 years.

**Energy Commission Responsibilities:** By July 1, 2006, the Energy Commission would have to initiate a public proceeding and make findings regarding if, and under what conditions, solar energy systems would be required on new residential and nonresidential buildings. Revise the eligibility criteria for solar energy systems, including design, installation, and electricity output standards or incentives. Provide higher rebates, of up to 25 percent, to residential and commercial buildings that exceed the energy efficiency standards by a specified percentage, as determined by the Energy Commission. Set aside proportional funding, not to exceed 10 percent of the total funds for the MSRI, for affordable housing projects under the Million Solar Roofs Initiative program. Develop and publish educational material to demonstrate how builders may incorporate energy efficiency that best compliments solar energy systems into their designs; develop and publish estimated annual electricity generation from solar energy systems and their anticipated savings; provide assistance to builders and contractors in support of the MSRI; and publish at least annually the funds available for the MSRI and the percentages of new and existing buildings using solar. Make public, at least once annually, the balance of funds in the MSRI Trust Fund, the cost of the program, the PV generating capacity installed, and the percentage of new and existing residential and commercial customer sites that have participated in the MSRI. This information shall be included in the report submitted to the Legislature every third year.

**Sections Affected:** Business and Professions Code – Adds § 7110.3, 7110.4, and 7146. Public Resources Code - Amends § 25744, adds § 25405.5 and 25405.6, and adds Chapter 8.8 (commencing with § 25780) to Division 15. Public Utilities Code – Amends § 379.6 and 2827, and adds § 379.8 and 387.5.

### **SB 107 (Simitian) – Renewable Energy**

**Summary:** This bill would accelerate the California Renewables Portfolio Standard (RPS) to require retail sellers of electricity to procure at least 20% of their retail sales from renewable power by 2010 instead of 2017. It further clarifies existing rules to allow renewable power to count toward a retail seller's RPS procurement requirements even if the associated electricity is not delivered directly to the retail seller. The bill makes other clarifying and conforming changes. This bill is triple joined with AB 1362 (Levine) and AB 1585 (Blakeslee).

**Energy Commission Responsibilities:** The Energy Commission has the ongoing responsibility to establish a separate system for tracking and verifying renewable energy credits (REC) and the delivery of electricity associated with RECs, and to protect against the multiple counting of the same REC.

**Sections Affected:** Public Resources Code – Amends § 25740, 25741, 25743, and 25744, and repeals § 25745 and 25749. Public Utilities Code - Amends § 387, 399.11, 399.12, 399.13, 399.14, and 399.15, adds Article 9 (commencing with § 635) to Chapter 3 of Part 1 of Division 1 of, and repeals § 399.16.

### **SB 426 (Simitian) – State Energy Resources Conservation and Development Commission: Liquefied Natural Gas Terminals**

**Summary:** This bill would require the Energy Commission to conduct a liquefied natural gas (LNG) needs assessment study by November 1, 2006, to determine the number of LNG terminals, if any, needed to meet the state's projected natural gas demand.

**Energy Commission Responsibilities:** Conduct an LNG Needs Assessment Study by November 1, 2006, to determine the number of LNG terminals, if any, needed to meet the state's projected natural gas demand. Evaluate and rank proposed LNG terminals according to specified environmental, safety and economic criteria. Potential impacts on national security would be part of the ranking criteria. .

**Sections Affected:** Public Resources Code – Adds Chapter 6.6 (commencing with § 25570) to Division 15.

### **SB 757 (Kehoe) – Oil Conservation, Efficiency, and Alternative Fuels Act**

**Summary:** This bill would direct state agencies to reduce the growth of petroleum consumption, increase transportation efficiency and the use of alternative fuels. The bill would require the California Environmental Protection Agency (Cal EPA) to adopt recommendations, policies, and programs to reduce petroleum consumption; consider adopting rules and regulations for all pollution pathways originating from petroleum refining, storage, and waste treatment using best available technologies and best practices; require the California Air Resources Board (ARB) to consider regulatory and non-regulatory options for all fleet operators to purchase alternative fuel vehicles and advanced transportation technologies; require the Energy Commission to report trends in world oil demand growth and known and proven oil reserves, and refer market power abuses to the Attorney General, and require the Secretary of Business, Transportation, and Housing to submit recommendations to the Governor and Legislature on alternative revenue sources for funding the state's transportation infrastructure.

**Energy Commission Fiscal Impact:** Minor absorbable costs to the Energy Commission.

**Energy Commission Responsibilities:** Consult with the Secretary of the Business, Transportation, and Housing Agency, which will submit specific recommendations to the Governor and Legislature on alternative revenue sources to supplement or replace taxes on gasoline and diesel fuel for possible funding of the state's transportation infrastructure. Recommendations would be due on or before March 31, 2007.

**Sections Affected:** Public Resources Code – Adds Chapter 4.7 (commencing with § 25370) to Division 15.

### **SB 1003 (Escutia) – Energy Resources: Liquefied Natural Gas Terminals**

**Summary:** This bill would enact the Liquefied Natural Gas (LNG) Evaluation and Terminal Permitting Act, by establishing a permitting process for the construction and operation of LNG terminals. The Energy Commission would be required to implement the permitting process as specified.

**Energy Commission Responsibilities:** Cooperate with all state agencies to review and license proposed LNG terminals. Changes in federal law regarding LNG facility siting will likely result in the rewriting of this bill.

**Sections Affected:** Public Resources Code – Adds Chapter 6.6 (commencing with § 25570) to Division 15.

<b>SB 1059 (Escutia) – Electric Transmission Corridors</b>
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**Summary:** This bill would authorize the Energy Commission to designate transmission corridors under certain conditions, as part of the process of developing a strategic plan for the State's transmission grid.

**Energy Commission Responsibilities:** Request appropriate local, regional, state, and federal agencies, the California System Independent System Operator (CAISO), interested California Native American tribes, and members of the public to provide comments on the suitability of the proposed corridor to accommodate the construction of a transmission project with respect to environmental, public health and safety, land use, economic, and transmission-system impacts or other factors on which they may have expertise. In addition, the Energy Commission would be prohibited from designating a transmission corridor over tribal land without approval from the California Native American tribe. Within 155 days after the final informational hearing, to conduct a prehearing conference to determine the issues to be considered in adjudicatory hearings

**Sections Affected:** Public Resources Code – Adds Chapter 4.3 (commencing with § 25330) to Division 15

## POTENTIAL 2-YEAR BILLS

### General Energy-Related Bills

Bill Number	Subject
AB 343 (Huff)	Utility User Taxes: Exemption
SB 204 (Bowen)	Public Utilities Commission: State Energy Resources Conservation and Development Commission: Commission Memberships
SB 250 (Campbell)	Department of Food and Agriculture: Hydrogen Fuel Standards
SB 441 (Soto)	Electricity Rates: Advanced Metering Infrastructure
SB 521 (Torlakson)	Local Planning: Transit Village Plans
SB 764 (Lowenthal)	Air Resources: South Coast Air Quality Management District: Ports
SB 769 (Simitian)	Energy Reliability and Affordability Act: Energy-Efficient Refrigerators
SB 1048 (Machado)	Electrical Restructuring: Distributed Energy Resources

## General Energy-Related Bills

### Bill Abstracts

#### AB 343 (Huff) – Utility User Taxes: Exemption

**Summary:** This bill would exempt natural gas (NG) used by local agencies or school districts for transportation purposes from local utility taxes.

**Energy Commission Fiscal Impact:** None.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Revenue and Taxation Code – Amends § 7284.5.

#### SB 204 (Bowen) – Public Utilities Commission: State Energy Resources Conservation and Development Commission: Commission Memberships

**Summary:** This bill would prohibit anyone from being a commissioner of the Energy Commission or the Public Utilities Commission (PUC) if, during the two years prior to appointment, he or she received income from any person or corporation subject to regulation by the Energy Commission or PUC, respectively or he or she engages in the sale or manufacture of any major component of any facility. SB 204 also prohibits an Energy commissioner or a PUC commissioner, for two years after ceasing to be a commissioner, from being employed by any person or corporation subject to regulation by their respective commissions or by any person engaged in the sale or manufacture of any major component of any facility. SB 204 makes additional changes that subject PUC commissioners to the same prohibitions against conflicts that currently apply to commissioners of the Energy Commission.

**Energy Commission Fiscal Impact:** None.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Resources Code - Amends § 25205. Public Utilities Code - Amends § 303, and adds § 303.5.

**SB 250 (Campbell) – Department of Food and Agriculture: Hydrogen Fuel Standards**

**Summary:** This bill would direct the Department of Food and Agriculture, with concurrence of the Air Resources Board (ARB), to establish specifications for hydrogen fuel prior to the development of American Society for Testing and Materials (ASTM) standards. The bill directs the Department of Food and Agriculture to adopt the ASTM standards once developed.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Business and Professions Code – Amends the heading of Chapter 14 (commencing with § 13400) of Division 5, amends § 13401, and adds Article 5.5 (commencing with § 13466) to Chapter 14 of Division 5.

**SB 441 (Soto) – Electricity Rates: Advanced Metering Infrastructure**

**Summary:** This bill would prohibit the Public Utilities Commission (PUC) from requiring residential and small commercial customers with an average total usage of less than 1,000 kilowatts hours (kWh) per month to take service on a time-differentiated rate schedule, unless the PUC first evaluates certain criteria.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code – Adds §739.11.

<b>SB 521 (Torlakson) Local Planning: Transit Village Plans</b>
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**Summary:** This bill would require a transit village plan to include a transit station and a parcel, at least 1/2 of which is within not more than 1/4 mile of the exterior boundary of the parcel on which the transit station is located or parcels located in an area equal to the area encompassed by a 1/4 mile radius from the exterior boundary of the parcel on which the station is located. The bill would, additionally, define an economic condition of blight for purposes of the Community Redevelopment Law to include the lack of high density development within a transit village development district and would specify requirements to be met by a local agency that relies on this condition to redevelop a project area that is also a transit village development district. The bill would require the redevelopment agency to submit the proposed redevelopment plan ordinance to the California Infrastructure and Economic Development Bank for review and approval and would prohibit the bank from approving new project areas pursuant to these provisions after December 31, 2012 , and from approving more than 25 project areas statewide . The bill would exempt this project area from the requirement that it be characterized as predominantly urbanized if the California Infrastructure and Economic Development Bank makes a specified finding as part of its approval of the redevelopment plan ordinance. The bill would require the redevelopment agency to procure an independent study on compliance with these provisions and the effectiveness of the project area in fulfilling the intent and substance of the Transit Village Planning Development Act. The bill would require the study to be submitted to the Legislature and the California Infrastructure and Economic Development Bank by December 31, 2011

**Energy Commission Fiscal Impact:** None.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Government Code - Amends § 65460.2 and 65460.4. Health and Safety Code - Amends § 33031 and 33320.1, and adds § 33032.



**SB 764 (Lowenthal) - Air Resources: South Coast Air Quality Management District: Ports**

**Summary:** This bill would require the Port of Los Angeles and the Port of Long Beach to hold public hearings on air quality baseline data and discuss potential mitigation and control measures to reduce emissions from sources at the port, develop a date for which it will meet their 2001 baseline for each source listed, which shall be no later than January 1, 2008, and report to the South Coast Air Quality Management District and the Air Resources Board regarding the port's compliance, as specified.

**Energy Commission Fiscal Impact:** None.

**Sections Affected:** Health and Safety Code – Adds § 40459.2 and 40459.3.

**SB 769 (Simitian) – Energy Reliability and Affordability Act: Energy-Efficient Refrigerators**

**Summary:** This bill would create the Energy Reliability and Affordability Act, by expanding an existing Public Utilities Commission (PUC) incentive program to replace inefficient refrigerators in low-income rental housing units.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code – Amends and repeals § 399.4, and adds and repeals § 382.5.

**SB 1048 (Machado) – Electrical Restructuring: Distributed Energy Resources**

**Summary:** This bill would state the Legislature's intent to develop distributed generation projects for generating electricity utilizing natural gas produced in association with oil production in California, and that these projects reduce air pollution, economically benefit electricity consumers, and provide economic benefits for the owners of facilities for the generation of electricity.

**Energy Commission Responsibilities:** None specified.

**Sections Affected:** Public Utilities Code – Adds § 353.17.